SHRI I. K. GUJRAL: We have seen the Resolution. The ultimate purpose of such a resolution is to trigger off some sort of a debate in the country. I would strongly urge of my friend, because one of the moving spirits in that forum is one of his ex-colleagues in bureaucracy, if he can possibly get in touch with him and ask him as to how it happened.

SHRI TRILOKI NATH CHATURVEDI: I am reminded of my past again and again. I thought with you I have now redeemed myself.

SHRI I. K. GUJRAL: I am seeking your help. Please talk to your ex-colleauge. Kindly exchange your views with him on this particular point of view.

The third point that the hon. Member asked me is about Mr. Arafat's statement. Mr. Arafat came here and I talked to him. He has assured me that he stands firmly with his views regarding Kashmir as he had told us previously.

SHRI J. CHITHARANJAN: The hon. Prime Minister has said that enough measures will be taken to ensure the security of the country. But, during the last week a very alarming report has appeared in various papers saying that more than 10,000 insurgents had recently entered the Kashmir area. Has it come to the notice of the Government? If so, what steps are being taken to prevent such developments.

SHRI I. K. GUJRAL: The Government, as I said, is maintaining vigilance. It may not be wise on my part of talk of figures. But, I can only assure this House that every activity, which is anti-national or that affects adversely our security is taken due care of and responded to.

MR. CHAIRMAN: Q. No. 462.

श्री संजय निरूपम: थैंक्यू सर, मैं अपना प्रश्न पूछने से पहले कुछ कहना चाहता हूं...(व्यवधान)

MR. CHAIRMAN: You have posed the question. Now, please sit down. The Minister would read out the reply. Would you please sit down?

श्री संजय निरूपम: मैं सप्लीमेंट्री नहीं दे रहा हूं। प्रश्न सदन में रखने से पहले...

MR. CHAIRMAN: You have asked the question. What else have you got to ask now?

श्री संजय निरूपम: मैं वही बोल रहा हूं। प्रश्न मैं अपना सदन में रखने से पहले...(व्यवधान)...

MR. CHAIRMAN: Let the Minister read out the statement. Then, you can put your supplementary. ...(*Interruptions*)... You are not allowed. Please sit down.

Printing of Currency Notes in Foreign Countries

*462. SHRI SANJAY NIRUPAM:[†]
SHRI SATISH PRADHAN:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Reserve Bank of India is in the process of getting currency notes printed from other countries;

(b) if so, the reasons therefor;

(c) whether it is being done as a short term measures to overcome the shortage of notes;

(d) if so, on how many occasions currency notes were printed abroad during the last five years; and

(e) the main problem faced in getting currency notes printed in the country?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (e) A statement is laid on the Table of the House.

Statement

(a) to (e) There were only two note Printing Presses in the country at Nasik and Dewas set up in 1964 and 1973 respectively. The annual capacity of these Presses for printing currency notes by 1995 was about 3,600 million pieces and

[†] The Question was actually asked on the floor of the House by Shri Sanjay Nirupam.

1,900 million pieces respectively in a product mix of different denominations. This production capacity is only around 30% of the demand.

2. The demand for currency notes has been growing at the rate of 15 to 20% annually. The Reserve Bank of India has indicated that the demand for currency notes is primarily determined by the growth and intensity of the overall economic activity. The requirement of currency notes includes incremental circulatioin requirements emanating from increases in the value of transactions (commensurate with growth in output and prices) to the extent of 15% of the existing notes in circulation, replacement requirement of about 30% (due to soiling and mutilation) of existing notes in circulation, and the reserves to be maintained by RBI to the extent of 25% of the incremental and replacement requirements.

3. Since the production within the country from the existing currency note Printing Presses is only around 5,500 million pieces, there have been persistent shortages in the supply of currency notes all over the country. There have been innumerable public complaints on both the quantity of notes available in circulation and the poor condition of notes. The quality has suffered due to re-circulation by RBI of soiled and mutilated notes because of the shortage of fresh notes.

4. The Reserve Bank of India has estimated that the requirement of currency notes upto the year 2000 is likely to be about 18,8000 million pieces.

5. To overcome the problem of acute shortage of currency notes, the Government have taken up the programme to modernise the two Presses at Nasik and Dewas. On completion of the modernisation process, the capacity of Nasik Press would increase to 5,400 million pieces and that of Dewas Press to 2,900 million pieces by the end of 1999.

6. In addition to the two Government Presses, the RBI has also decided to set up 2 Note Printing Presses at Mysore and Salboni. The production capacity of these RBI Presses would be 9900 million pieces per annum (4950 million pieces each Press) by the year 2000. With all these efforts, the production of the currency notes in the country will go upto around 18,200 millioin pieces.

7. To overcome the acute shortage of currency notes during the intervening period, the RBI requested the Government to authorise it, as at one time measure, to get currency notes printed abroad. After considering all possible options, the Government decided that, as a one time measure, RBI be authorised to import currency notes of Rs. 100 (2,000 million pieces) and Rs. 500 (1,600 million pieces). This import of currency notes has been resorted to for the first time in the country.

8. It is hoped that with the additional capacity for minting of currency notes being created, import of currency notes would not be required in the future.

श्री संजय निरुपम: इस सप्लीमेंट्री से पहले मैं एक जानकारी लेना चाहता हूं आपके माध्यम से। सर, हम सवाल पूछते हैं, सवाल का जवाब मंत्री महोदय देते हैं। कई बार सवालों का जवाब सही नहीं होता है। मेरे साथ ऐसा हुआ है। माननीय वित्त मंत्री महोदय बैठे हुए हैं। इन्होंने जवाब दिया था। जवाब गलत था। मैंने कहा कि मंत्री महोदय आप यह जवाब सही कर लें। उन्होंने सही नहीं किया उसके बाद मैंने तीन पत्र लिखे एक का भी जवाब नहीं आया। फिर मैंने प्रिविलेज नोटिस दिया फाइनेंस मिनिस्टर के अगेंस्ट। आज तक प्रिविलेज नोटिस का कोई जवाब कम से कम मुझ तक नहीं आया है। उसको तीन महीने हो गए हैं । तो मैं सिर्फ यह इन्फारमेशन सदन के सामने रखना चाहता हूं। उसके बाद मेरा सप्लीमेंट्री क्वेश्चन है कि विदेशों में जो नोट प्रिंटिंग हो रही है वह कम से कम मेरी नजर में एक राष्ट्रीय शर्म का विषय है। हम सारी चीजें तो आयात करते हैं अब नोट भी वहां से आयात करने लगे हैं। यह एक असुरक्षा की बात है। इसमें अब सुरक्षा की भी बात छिपी हुई है। तीसरी बात यह है कि जो जाली नोटों का प्रचलन हमारे देश में चल रहा है उस प्रचलन को और बढ़ावा मिलेगा इन विदेशों से नोटों को आयात करने की व्यवस्था से।

एक न्यूज रिपोर्ट के हिसाब से मुझे जानकारी मिली है कि आर०बी०आई०

का यह कहना है कि इस देश में नोट प्रिंटिंग बहुत महंगा हो गया है इन दिनों में। जबकि मंत्री महोदय का यह जवाब है कि हमारे पास करेंसी नोट प्रिंटिंग के सिर्फ दो प्रेस हैं और उन प्रेसों की इतनी कैपेसिटी नहीं है कि जो डिमांड है उसको पूरा किया जा सके। तो आखिर वजह क्या है? मेरे क्वेश्चन का सेकेंड पार्ट यह है कि विदेशों में जो हम लोग नोट जिस तरह से प्रिंट करा रहे हैं उसकी क्या जरूरत है? वह कितना महंगा है या कितना सस्ता है हमारे यहां की जो प्रिंटिंग कास्ट है उससे और क्या-क्या टर्म्स एण्ड कंडीशंस तय किए गए हैं, यह बताया जाए। हमारे एक सवाल के दो भाग हैं।

SHRI P. CHIDAMBARAM: Mr. Chairman, Sir, the indent for currency notes is placed by the Reserve Bank of India every year. As I explained in the rather longish statement that I have placed on the Table of the House, the capacity of the two printing presses in Nasik and Dewas, set up in 1964 and 1970 respectively, fall far short of our requirement. Therefore, the Reserve Bank of India is now setting up two more presses. The Government has also taken up modernisation of the existing two presses. With the two presses being modernised and two new presses being commissioned, we would then have a capacity of about 18,000 million pieces a year in which event we would be able to meet RBI's indent year after year. For example, the RBI's indent for 1996-97 was 17,000 million pieces and for 1997-98 it was 14,000 million pieces which cannot be met by the existing presses. Therefore, the RBI has requested the Government to permit them to import 2,000 million pieces of Rs. 100 notes and 1,600 million pieces of Rs. 500 notes. After a careful consideration, the Government has decided to allow the RBI to import these currency notes as a one-time measure. Now, modernisation of the printing presses would be completed and new presses also would be in a position to print notes by the year 1999. Some part of it would be during the course of this year and some part of it would be in 1998. But by 1999 we would have all the four presses modernised and completed to print notes with a higher capacity. The RBI is dealing with this indent. Strict conditions have been imposed by the RBI. Orders have been placed only with reputed currency note printers who supply currency notes to many, many countries of the world. The conditions are that only the exact quantity of origination material like bank note paper, inks etc., would be supplied... to the firms by the agencies which are supplying these material to our printing presses; the security on high-seas will be maintained; the notes will be shipped by Indian flag vessels. It will be insured. And all other conditions which are required to maintain the security of these currency notes will be adhered to by the RBI.

MR. CHAIRMAN: Second supplementry.

श्री संजय निरुपम: सर, मेरे पहले सवाल का जो पहला भाग था कि क्या हमारे यहां न्यूज़ प्रिंट महंगा हो गया है, उस का जवाब नहीं आया। मैं यह चाहूंगा कि पहले मंत्री जी उस का जवाब दें और उसके बाद मैं सैकण्ड सप्लीमेंटरी करूंगा।

SHRI P. CHIDAMBARAM: Sir, we do not have the capacity to print these notes. It is not a question of cost. But we do not have the capacity to meet the demand. This is not something which happened today. This is a build-up of the problem over the last several years. The previous Government ordered the expansion of the existing two presses and the installation of the two new presses. Now the work has been in progress. The work will be completed in 1999. We cannot merely compare the cost of printing here and the cost of printing there. The paper and the ink will be the same because the same agency is supplying. The cost of labour may be higher in foreign countries. We do not have the capacity to carry out this printing. Therefore, there is no comparison really of the costs.

MR. CHAIRMAN: Shri Satish Pradhan.

श्री संजय निरुपम: सर, मेरा सैकंड सप्लीमेंटरी रह गया है। वह पहले सवाल का पहला पार्ट था...(व्यवधान) सर, वह तो पहले सवाल का पहला पार्ट था। उसका जवाब नहीं आया था इसलिए मैंने रिपीट किया।

MR. CHAIRMAN: You should know the parliamentary procedure, please. Let your colleague put his question.

SHRI SANJAY NIRUPAM: If the hon. Finance Minister is not answering the first part of my first supplementary, what should I do, Sir? Can't I repeat the same question?

MR. CHAIRMAN: What is the first one?

SHRI SANJAY NIRUPAM: He has already replied to it.

Now, coming to the second question, Sir,

लोक सभा में सरकार ने मार्च, 1994 में यह जवाब दिया था और पूछा गया था कि जो दो नए प्रैस सैट अप किए जा रहे हैं वे कब तक शुरू हो जायेंगे। उसका जवाब यह था:

"The initial line of production is expected to become operational in 18 months after placement of order and the entire press will come on stream in 39 months after placement of the order."

मार्च, 1994 से मुझे लगता है कि 36 महीने तो निकल गए हैं, अब ये दो साल आगे बढ़ा रहे हैं 1999 तक, तो मैं यह जानना चाह रहा हूं कि एग्जेक्टली आखिर कब तक ये दोनों प्रैस हमारे देश में काम करना शुरु कर देंगे?

SHRI P. CHIDAMBARAM: Sir, is he talking about presses or mints? Mints deal with coins. I am talking of the question which deals with printing presses. I have already said that the modernisation of the two presses is taking place. Some part of it will be in July and some part of it towards the end of the year. The two new presses which are being set up will be fully completed by the end of 1999. The modernisation as well as the new presses will all be completed by 1999. We have to count the time. If he is talking about the presses, we have to count the time from the placement of the order. I think we are well within the schedule. There was a slippage, I think, for a few months on which the Standing Committee also commented. And I think my colleague has brought up the date and he tells me, and I share with you that, three machines, will be commissioned in July.

MR. CHAIRMAN: Shri Satish Pradhan. Not present. Dr. Ashok Mitra.

SHRI ASHOK MITRA: Sir, some of us keep holding the view that there has been unnecessary delay and procrastination in modernising the printing presses at Nasik and Dewas as well as in setting up the two new printing presses at Salbani and Mysore. In fact, there is a great entertainment in the fact that ten years ago, when we pressed hard for additional facilities for printing notes in the country, then, after much hassle, the Government in New Delhi then made an announcement that in order to improve the Centre-State economic relations, they had decided to set up these plants. And nobody bothered to take into account the long-term interests of the country. But I am not worried on account of that. Whatever has happened has happened. What really concerns me is the aspect of security. For the first time, we are printing notes outside the country and we are doing so in a liberalised climate where our frontiers are porous, spies and agents are roaming about along our borders, and I remember what mrs. Gandhi once said, that with the exception of Madhya Pradesh, all our States are open to the threat of international penetration. Now the specific question that I have to ask of the Finance Minister is this. In the printing press—I am not interested to know in which country, in what press, you are making this arrangment—will our security officers be placed along side the security that is maintained by the country where this printing is taking place? This happens when a foreign dignitary visits our country; their security agents come and take charge of the security aspects. Our notes

are being printed in a foreign country. Why shouldn't our officers be placed in these printing presses to ensure that maximum security is enforced?

SHRI P. CHIDAMBARAM: Sir, these printing presses on which idents have been made, are internationally well-known printing presses which supply currency notes to nearly a hundred countries. Not all countries print their own currency notes because many countries are small and can't afford to have their own currency note printing presses. India is different. We must have our own printing presses, and we will have our own printing presses. We will have enough capacity to take care of our needs. We are doing this. This is a one-time exception. I have no reason to believe that there is any greater danger to the Indian currency which is bring printed in these presses than that to the currency of any other country which is being printed in these presses, but I take my learned friend's point well. I shall certainly ask the Reserve Bank of India to get in touch with these printing presses to see if any additional security arrangements can be placed in view of the sensitivities that he has expressed in this House. I shall certainly do that.

SHRI ASHOK MITRA: Thank you.

SHRI SATISH AGARWAL: Mr. Chairman, Sir, at present, the production capacity of the security printing presses at Nasik and Dewas is 30 per cent of the total demand. May I know from the hon. Minister why the Budget provision in 1994-95 was kept at Rs. 35 cores? And the amount spent was Rs. 1 crore, 53 lakhs; in 1995-96 the provision was Rs. 16 crores and the amount spent was Rs. 1 crore, 36 lakhs, and 1996-97 the provision was Rs. 23 crores, 75 lakhs and the amount spent was only Rs. 73 lakhs, on Hyderabad and Nasik, both. And so far as the Nasik Printing press is concerned, one automatic passport processing machine, which was to cost Rs. 17 crores for India Security Press, Nasik, was to be imported. All these provisions have been made in the Budget during the last four years Rs. 75 crores were being provided, and you have utilised only 4 crores of rupees during the last four years! Is it not a reflection on the functioning of the Ministry? What explanation do you offer for this?

SHRI P. CHIDAMBARAM: Sir, I think, the hon. member is reading from the Second Report of the Standing Committee...*(interruption)*...

SHRI SATISH AGARWAL: Yes, it has been presented to Parliament.

SHRI P. CHIDAMBARAM:...which criticised the Government for the slippages in the procurement, but these slippages took place...*(interruption)*...

SHRI SATISH AGARWAL: The Government was criticised for non-utilisation of funds to the tune of 75 crores!

SHRI P. CHIDAMBARAM: Because of slippages in procurement the funds were not utilised. Because procurement slipped, there was a slippage in the procurement, funds were not utilised. This happened, as you said, in 1994-95 and 1995-96. We are trying to rectify the slippages. My colleague, the Minister of State, has taken personal responsibility. He himself is a well-known, well-reputed printer in Kerala. He understands...*(interruptions)*...

SHRI SUNDER SINGH BHANDARI: Not currency!

SHRI P. CHIDAMBARAM: Not currency notes!...*(interruptions)*...

SHRI V. NARAYANASAMY: He should not print notes in these pinting presses!

SHRI SUNDER SINGH BHANDARI: Is he going to print notes?

SHRI P. CHIDAMBARAM: Not currency notes!

He has taken up the charge. There are slippages. I have said so. There are slippages. But what is the point of blaming? We will fix the responsibility for the slippages. My business now is to ensure

that it is advanced, the schedule is advanced. The Press should start working. He is in-charge. He has told me just now that three more machines will be commissioned in July. We will fix the responsibility. We are duty-bound to take action and place the Action taken Report before the Standing Committee. We will fix the responsibility and report to the Standing Committee.

SHRI SOM PAL: Sir, a part of the query which I wanted to put has already been asked by Shri Satish Agarwal. One of the reasons given for the delay was that though the machinery has already been imported, they could not find a place to instal the machinery. The machinery is lying idle for a long time. The Minister has said, he has undertaken, that he would fix the responsibility and take corrective steps. But can such a lame and untenable excuse be accepted that they could not find a place? The machinery was ordered and it has already landed here. What does the Minister propose to do in this regard? Will he take care that such slippages do not occur in future?

SHRI P. CHIDAMBARAM: Sir, such explanations cannot be accepted. That is why I said that my colleague who has looked into the matter will fix the responsibility and will report to the Standing Committee.

SHRI R.K. KUMAR: This is about two new Presses in Karnataka and West Bengal. The proposal was mooted ten years ago. Sir, so many things have been asked. I don't want to repeat them. This is the disadvantage of being called at the last. Hon. Members have also talked about the Standing Committee Report. I don't want to burden the hon. Minister by putting the same question again. (*Interruptions*). I wanted to highlight the disadvantage of being called at the last.

MR. CHAIRMAN: Question No. 463.

Policy of Reservation in Promotion for SCs/STs

463. SHRI SUSHIL BARONGPA:
SHRI AJIT P.K. JOGI:+

Will the PRIME MINISTER be pleased to state:

(a) whether Government are aware of the news-item captioned 'Promotion Quota for SC, ST to end by November' which appeared in Hindustan Times dated the Ist April, 1997;

(b) whether Article 16(4) (A) has been incorporated in the Constitution of India for providing reservation in promotion fpr SCs/STs in all the services;

(c) If so, whether the Ministry of Personnel, Public Grievances and Pensions has issued notification for enabling the Union Ministries/Departments to implement the policy of reservation in promotion for SCs/STs; and

(d) if so, the details thereof and if not, the reasons therefor?

THE PRIME MINISTER (SHRI I.K. GUJRAL): (a) yes, Sir.

(b) to (d) Article 16(4A) has been incorporated in the Constitution of India, consequent upon the judgement of the Supreme Court in the Indira Sawhney case, with a view to enabling continuance of existing policy on reservation in promotion for SCs/STs beyond 15.11.97, the date till which Supreme Court has permitted reservation in promotions to continue. Action has been initiated to issue orders under this provision.

SHRI AJIT P.K. JOGI: Mr. Chairman, Sir, about one-fourth population of this country belonging to the Scheduled Castes and the Scheduled Tribes has been an unfortunate witness to the demeaning spectacle of the bureaucracy taking away what the Parliament, this august House, wanted to give us and what has also been reiterated and confirmed by several judicial pronouncements. Sir, as you know, it started with the judgment in the Mandal

+The Question was actually asked on the floor of the House by Shri Ajit P.K. Jogi.